



STATE OF TENNESSEE
TENNESSEE COMMISSION ON CHILDREN AND YOUTH

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BUDGET AND DATA COMMITTEE
Andrew Johnson Tower, 9th Floor Conference Room
Thursday, May 3, 2007
12:30 p.m. – 2:00 p.m.

MINUTES

Committee Members Present

Jim Ford, Chair
Dennis Clark
Tim Goldsmith
Marti Herndon, arrived before end
Trudy Hughes
Susan Lawless-Glassman
Carlton Lewis
Dwight Stokes
Nancy Williams

Committee Members Absent

Natasha Blackshear
Dennis Clark
Charles Hutchins
Jo Ann Yates

Guest

Maureen Abbey, F&A
Carol White, Director, Shared Services,
F&A
Allen Staley, Shared Services, F&A

Staff Members Present

Linda O'Neal, Executive Director
Pam Brown
Fay Delk
Emel Eff
Bill Latimer
Linda O'Neal
Steve Petty

Ford called the meeting to order at 12:36 p.m.

I. Approval of February Minutes

IT WAS MOVED (STOKES) AND SECONDED (HUGHES) TO APPROVE THE FEBRUARY BUDGET AND DATA COMMITTEE MEETING MINUTES. UNANIMOUSLY CARRIED.

II. TCCY Media Coverage Update

Brown reported on media coverage for July 1, 2006 to March 31, 2007. She listed the numbers of types of articles, issues covered, sources, and location. There were 132 articles and stories, which is somewhat lower than in the past. The report also showed information on contacts and included a graphic showing the trend line. Coverage varies based on the timing of KIDS COUNT releases. Delk noted that O'Neal was quoted in a profile of Youth Villages' executive director in the national magazine the "US News and World Report."

III. The Advocate Update

Brown reported we have just released a new *Advocate* on systems of care and children's mental health. Molly Griggs, an intern, has completed the research and draft for a newsletter on disparities in health care for children, which will be completed in the next few weeks. Our final edition for 2006-2007 fiscal year will be on children in custody.

IV. Web Stats

Brown reported on web statistics with pie charts for February and March. There was an increase of hits, probably because of the grants posted on the website. Information was not available for April. We were unable to get information on the Casey CLIKS site because their site was down due to an entire web site upgrade. More people are using the CLIKS site. Brown hoped that these data will be available by the next meeting. We expect that more people will be using the CLIKS site and KC hits will be down.

V. KIDS COUNT: The State of the Child Release

The 2006 book is at the printer. We expect it back in a couple of weeks and will be developing a press release which will be sent out to all Commission members. The Blueprint for the success of Tennessee's Children should be returned from the printer around the end of May.

VI. National KIDS COUNT Data Book Release

The national data book is scheduled for release June 26. We have already have had the first in a series of conference calls with the Casey Foundation about the book and its release. We have our state specific pages and know we rank 43rd in our cumulative rankings, an improvement over last year. Linda will record sound bites that will be available to the press on the Casey website. We will be getting a state fact sheet to edit to reflect what's important to Tennessee. We will also write our own press release to be included with the national press packet Casey distributes. Ford asked if the Governor is made aware of the improvement. Goldsmith asked whether Commission members received the materials. Delk assured committee members the same package sent to the media is also sent to Commission members and the Governor. Brown stated the Casey foundation media organization, Hagar Sharp, sends selected media and government officials a press packet folder.

VII. Budget Update

Abbey reported on budget expenditure for the fiscal year through March 31. Ford asked for clarity in the way the pages were reported. Abbey reported the state bills in arrears and state agencies that bill each other are always at least a month behind. The budget handouts show actual expenditures. Abbey reported revenues run about a month or a quarter behind, depending on federal revenue draw down and CPORT billing which is on a quarterly basis to catch revenue up with expenditures. Ford asked Brown, as the designee at the Commission for reports on any questionable practices, if there had been any reports of problems, Brown stated there were no reports.

Information provided included a report showing how much had been spent in each of the grants, based on the cost center that each grant now has. Abbey reported that spending was right on target. O'Neal had requested information so that each grant could be spent down, so that if it were a two-year grant we were spending the money, and if it were a three year grant we started spending the money in the middle of the grant. Abbey reported that we were a little ahead with federal formula grant money. We had enough residual money last year that we are just beginning to spend it. We have put the grants on a yearly basis and have put a first in, first out approach that we set up when the auditors were here. We are just now beginning with the April payments, starting to shift over to spending the fiscal year 2006 federal formula grant money. There have been some savings in that area. Abbey and Ford agreed that we have not received any of the 2007 grants.

Abbey reported last month TCCY had budget hearings in March in the House Committee on Finance, Ways and Means and Senate General Welfare. The Senate Committee recommended an amendment to add \$150,000 to the Commission's budget for 10 additional CASA programs. O'Neal will work with CASA programs to get a budget amendment for \$150,000 for 10 additional CASA programs filed in the House with as many signatures of House members as possible.

It is highly probable 10 counties will have programs ready for this new funding. We currently fund 27 programs, with 13 new counties added this year to the 14 counties that have historically received funding. There are about 15 counties that are in the planning/discussion phase with three working on federal non-tax status and one with a VISTA volunteer. One of the biggest challenges is legislators who want CASA programs in their counties. TCCY cannot make them happen; they have to be created, and supported within the counties, but there is not a sufficient base of community interest in the county. National CASA may request a cease and desist order on one program currently calling itself as a CASA. It filed a charter with the Secretary of State's office, but their goal is to get rid of two juvenile court judges, so it is not likely those judges are going to be supportive of the CASA program.

In response to a request from the Department of Finance and Administration, the Commission has reported it anticipates a reversion of approximately \$50,000 for the current fiscal year, which was the requested amount from the agency. The past two years we were not able to meet reversion targets, so we are extremely pleased to meet the target this year.

We will be able to meet this reversion target, and also have sufficient funds to purchase some needed equipment for the agency. This will include updated computers/printers for some staff and GPS devices for staff use when traveling on state business.

O'Neal is exploring reclassification of a vacant position to add an additional CPORT reviewer. This will assist with better staff coverage for the workload and process with the DCS collaboration. We are going to have one of the existing reviewers function like an assistant to the CPORT director. This change and the additional position will help with some of the excessive comp time we have due to work load issues.

Abbey reported salaries, rent and travel make up about 95 percent of CPORT expenses. We also plan to replace all CPORT staff's cell phones with BlackBerry devices that have both

email and cell phone capabilities and lower cell phone per minute charges than the state contract on cell phones.

O'Neal reported in addition to the CPORT reviewer reclassification, she also plans to request reclassification of another vacant position. This is a position with a classification we have no plans to fill. The new position will work with Brown and Petty around policy issues, legislative tracking and back up for Petty for legislative reports. We need to make sure we have enough staff to cover all the essential legislative committees. One of the legislators asked O'Neal after a TCCY budget hearing if we had asked for everything we needed in reference to the improvement item of an assistant director. As O'Neal thought about the question, she decided to pursue reclassifying a position to provide more effective staff classifications within existing revenue.

VIII. Shared Services Update – O'Neal

O'Neal introduced Carol White, the new director of Shared Services, and Allen Staley the director of operations for Shared Services. Staley has been involved with Shared Services with Metro and has a history with state government. O'Neal reported TCCY will move more fully into Shared Services when it officially begins on July 1. We will miss Abbey, but we will count on the new division to do as good a job as she did. She has left things in wonderful order. Shared Services is going to be a potentially an interesting experience.

White convened a meeting of small and quasi-independent agencies and small departments where she asked O'Neal to talk about her experience. O'Neal told the group the chair of the Commission's Budget and Data and Audit Committees had said that we would hate Shared Services. However, we have not hated it because Abbey has worked so well with us. It has been very constructive for the Commission in moving forward with some of our financial issues as we have developed cost centers and better organized our reporting. Stafford reported she had a lot of reservations about Shared Services too, but she is a supporter today.

O'Neal reported White and Staley have created a process for establishing departmental grant authorities (DGA's) for grants that begin July 1 (state supplements, reimbursement account and EUDL). DGAs facilitate the grant process, but TCCY has not effectively utilized them since a turnover in fiscal staff several years ago. The process also provides a model contract format for the grant programs that do not have enough grantees to require a DGA to make the process easier.

O'Neal reported the challenge for Shared Services right now is that the state is partially funding it directly, with the long-term goal for the departments receiving Shared Services to support it through the payments they make for its services. TCCY and the Human Rights Commission, which has been receiving Shared Services longer than we have, can't support the services on their own. The state may have to fund it in the longer term. It is in the interest of the state to support the smaller agencies that have major challenges hiring personnel who have the skills and knowledge needed to operate many of the state's basic fiscal, procurement and human resources functions. As the state moves forward with the Edison/ERP project to automate all the state purchasing, accounting, payroll and personnel systems, highlighted that small agencies have different challenges. For some agencies, their challenges are around

information technology, for others it was personnel. TCCY issues related to fiscal needs were in minority. For most small agencies, one retirement of key personnel can create major problems. Hopefully, Shared Services will work well with TCCY since they need to establish a positive track record.

Abbey will continue in the Finance and Administration business office where she has been for some time. When the Shared Services office has staff on board, responsibility will be transferred from Finance and Administration to Shared Services. The new division has effectively already started with the transition. A decision has not been made about when to transfer the signature authority as budget officer from Abbey.

Goldsmith asked where the accountability lies when issues come up dealing with Shared Services. O'Neal said the transformation in our accounting process should mean the kinds of budget problems we had two years ago will not happen again. We were posting expenses manually and now it's done electronically using cost centers and we can see a report at the end of every month that lets us know where we are. It's a joint responsibility month-to-month and quarter-to-quarter.

When there are financial audits, Shared Services will work with the auditors. When we had the federal audit, Abbey and Atwood primarily addressed the issues. Ford stated TCCY's accounting department is consolidated with others and the costs are shared across agencies. We are responsible for the programs, the approvals, what we do, and how we spend our funds. Shared Services is responsible for taking our decisions and putting them in the appropriate categories and reporting them so we can use that data. They are not responsible for the fact that we give too much money away, although they may bring it to our attention so we can correct the problem. They will be the Commission's fiscal department, just housed somewhere else.

Abbey said the fiscal's office's role is to make sure rules are followed. One of Shared Services' first activities with TCCY was to clarify requirements related to internal controls. Using the lunch provided for the meeting as an example, she pointed out there are ways to get approval for it, and ways to pay for it, and set dollar amounts you can spend. The fiscal office's role is to make sure those rules are followed.

In terms of questions related to audit, in the recent audit of the Tennessee Human Rights Commission, all auditors' financial questions were handled by Shared Services. The program questions were address by the THRC staff. The agency also had substantially reduced audit findings compared to before they were involved with Shared Services.

O'Neal notified the committee members that we may have audit findings related to the fiscal problems from two years ago. TCCY's last audit went through May 2005. It was soon after that TCCY realized it had problems. Problems did not involve inappropriate expenditures, but failure to appropriately allocate them, especially including expenditures that should have been billed to federal grants but were not and therefore resulted in over expenditure of state dollars. O'Neal said she signs and approve expenditures to be sent to our fiscal office at F&A. Ford reported when the Audit Committee meets twice a year it will have Shared Services staff come and talk about internal controls.

White thanked and congratulated TCCY for being at the forefront of Shared Services. She said national corporations have determined Shared Services are the best practice for efficiency and effectiveness in providing back office services so agencies can focus on their mission. Shared Services' offices are one floor away from the F&A Business and Finance Office that Abbey directs. Allen Staley is a CPA and started with the State Comptroller's Office and later worked with Metro Nashville and set up two Shared Services offices with Metro and helped set up the systems using the new financial software. He has been where we are, and has been where we are going. Shared Services' challenge is to uphold standards as Abbey has, and build on that. She requested TCCY let them know what services we need. Because TCCY is the first customer, Shared Services wants to make TCCY a happy customer. O'Neal pointed out it is up to small agencies that participate to decide how much of Shared Services we want to buy, such as, procurement, accounting, and personnel. O'Neal reported TCCY does not have a lot of turnover and currently has staff to handle human resources, but TCCY might consider those services in the future.

IX. Other Business

**IT WAS MOVED (LEWIS) AND SECONDED (LAWLESS-GLASSMAN) TO
ADJOURN. UNANIMOUSLY CARRIED.**

Meeting adjourned at 1:41p.m.

Minutes Submitted by:

Minutes Approved by:

Pam Brown, Director KIDS COUNT

Jim Ford, Chair

H DRIVE/SHARED FILES/COMISSION/MINUTES FOLDER